



**Fiscal Estimate Narratives**  
**DOR 5/20/2005**

LRB Number <b>05-2505/2</b>	Introduction Number <b>AB-418</b>	Estimate Type <b>Original</b>
<b>Subject</b> Additional state aid to certain large-area, declining enrollment school districts: proration of balance		

**Assumptions Used in Arriving at Fiscal Estimate**

**CURRENT LAW**

In a given school year, a school district is eligible for "supplemental aid" of \$350 per pupil (based on the prior year enrollment) if it meets the following criteria: (a) it has an area of at least 200 square miles, (b) its enrolls fewer than 500 pupils, and (c) at least 80% of the real property in its area is exempt from taxation, taxed as forest cropland, or is tribal land. "Supplemental aid" is paid from a separate annual appropriation under which any unspent funds lapse at the end of the fiscal year.

**PROPOSED LAW**

Any funds remaining in the supplemental aid appropriation after current law payments are disbursed could be used to make additional supplemental aid payments of \$350 per pupil (based on the prior year enrollment). A school district would qualify for this payment if it meets the following criteria: (a) it has an area of at least 475 square miles and (b) its membership for aid purposes declined by more than 12% between the 2000-01 and 2003-04 school years. If sufficient funds are not available to pay the additional aid in full, actual payments are to be prorated.

Based on area and aid membership data, the only school district that could potentially qualify for the proposed aid payments is the Florence School District. Since the Department of Revenue does not administer the "supplemental aid" payment, we are unable to estimate how much "supplemental aid" the Florence School District could have qualified for under the bill.

**Long-Range Fiscal Implications**